

PRESIDENTIAL TRANSITION “HOT ISSUES” INFORMATION PAPER

SUBJECT: *NextGen HRT2T Program*

1. BACKGROUND:

a. General Background:

- GSA, as a current Shared Services Provider (SSP) of Human Resource (HR), Time and Attendance (T&A) and Payroll systems to its 10,000 employees and to 30+ agencies and commissions and boards (representing another 10,000 employees), is operating systems that are approaching obsolescence due to the age of hardware, limited hardware scalability, functionality of applications (despite a high level of customization) and lack of seamless integration of the various tools.

b. Issues:

- Operating as an SSP is a business that does not provide for economically feasible HR, Time and Attendance and Payroll systems for GSA and its external customers.
- Because the current HR, Payroll and T&A systems are not fully and seamlessly integrated, it results in delays, handoffs, errors, and many manual processes to make up for deficient levels of automation.
- All enhancements required to support mandatory and regulatory changes must be made and funded by GSA.
- If the decision had not been made to de-certify as an SSP and migrate to an external SSP, major investments would have been required to update the hardware and associated operating systems. In addition, significant functionality upgrades would have had to be made to the applications to implement changes that would partially achieve current and future needs, with an estimated required annual investment of \$2 - 3M on an ongoing basis. Since the decertification decision in 2012, investments and upgrades have not occurred, with the only exception being mandatory regulatory changes, so the systems are becoming even more obsolete and functionally outdated.

2. SCOPE AND EFFECT:

a. Impact on GSA's Customers:

- Customers (both internal GSA employees and external customer employees) will be positively impacted, as they will be migrated to modern, intuitive, easy to use HR, T&A and Payroll systems, which provide a high level of self-service and automation of currently manual processes.

b. Impact on the Private Sector and State & Local Governments:

- Initially, the migration is estimated to cost ~\$39 Million; however, there is a 30% Return on Investment over 10 years so the program will drive net savings, over time, to the nation. GSA's customers are expected to have the cost of systems remain flat (new vendor versus GSA), however, they should also realize internal efficiencies and savings due to the modern and more automated systems that will be implemented.

3. **ACTION(S) PLANNED OR REQUIRED:**

- Complete the procurement activities, including releasing a Request for Quote and awarding a contract to a Shared Service Provider vendor
- Begin working with the new vendor to develop a detailed and integrated project schedule, that aligns to a mutually agreeable migration approach
- Continue to engage external customers, preparing them for migration activities that will begin once the new vendor is onboard

4. **KEY STAKEHOLDER INTEREST:**

- GSA's current internal and external customers are the key stakeholders and will be positively impacted by the implementation of new, modern systems and the potential realization of efficiencies to be gained once implemented
- Section 518 of Public Law 111-8, codified as 40 U.S.C. 3173, which provides authority for GSA to transfer and use lapsed, unobligated balances, requires advance approval by the Committees on Appropriations of the House and Senate on any proposed use of these funds. Of the ~\$39M total program budget, ~\$13.8M represents lapsed, unobligated balances.

5. **FISCAL YEAR 2017/2018 BUDGET IMPACT:**

Funding requests have been approved by OMB to support the initiative, which includes contractors to supplement GSA employee resources on the program as well as paying for services from the selected vendor for migration activities.

Funding Type	FY 2017 (\$M)	FY 2018 (\$M)
Working Capital	\$ 5.4	\$ 0.5

Lapsed Funding Request **	5.4	0.0
Total	\$ 10.8	\$ 0.5

** Approved by OMB; awaiting approval by Committees on Appropriations of the House and Senate